



California Fair Political Practices Commission

August 15, 1989

Laura M. Morgan
California Interior Designers PAC
11140 Fair Oaks Blvd., Suite 7
Fair Oaks, CA 95628

Re: Your Request for Advice
Our File No. A-89-410

Dear Ms. Morgan:

You have requested advice on behalf of the California Interior Designers Political Action Committee (CIDPAC) concerning the campaign provisions of the Political Reform Act of 1974.¹

QUESTION

Must the California Interior Designers PAC disclose contributions made to candidates by members of the California Legislative Conference on Interior Design (CLCID) when CLCID provided the members a credit for dues in the amount of their contributions?

CONCLUSION

CIDPAC is only required to disclose contributions made from PAC funds and is not required to disclose contributions made directly to candidates by CLCID or its members. However, by providing the dues credit, CLCID essentially "reimbursed" its member organizations for their campaign contributions. Therefore, CLCID was the "true" source of the contributions, and the member organizations were the intermediaries for such contributions.

FACTS

CLCID is a coalition of members of the California chapters of various groups related to interior designing interests. During the first six months of 1989, two California chapters of an organization made contributions to political candidates. In turn, CLCID gave the chapters "credit for dues" assessments.

CLCID does not have authority or control over individual chapters or their treasuries. However, the contributions in question were made at the suggestion of CLCID.

¹ Government Code Sections 81000-91015. All statutory references are to the Government Code unless otherwise indicated. Commission regulations appear at 2 California Code of Regulations Section 18000, et seq. All references to regulations are to Title 2, Division 6 of the California Code of Regulations.

Laura M. Morgan
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On August 7, 1989, you advised me that CLCID has not made contributions in the past except in support of CIDPAC.

ANALYSIS

Under Section 84302, a person who makes a contribution on behalf of another is an intermediary for that contribution and both the intermediary and the "true" contributor must be reported by the recipient. Since the member organizations made political contributions at the suggestion of CLCID, and CLCID in turn reduced the members' dues obligation in an amount equal to the contributions made, CLCID must notify the recipient that it was the contributor of those contributions and that the member organizations were acting as intermediaries.

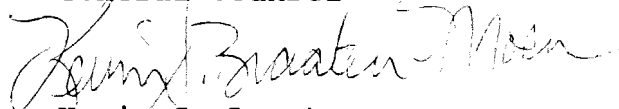
In addition, CLCID may become a recipient committee under Regulation 18215 in the next calendar year in which it makes contributions totalling \$1,000. See the enclosure entitled "Organizations Which Receive Funds for Purposes Other Than Making Contributions to or Expenditures on Behalf of California State and Local Candidates, Ballot Measures or Committees," page two, subsection A. 2.

If you have additional questions, please contact me at (916) 322-5662.

Sincerely,

Kathryn E. Donovan
General Counsel

By:



Kevin S. Braaten-Moen
Political Reform Consultant

Enclosure

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July 10, 1989

Ms. Kathryn Donovan,
General Counsel
California Fair Political Practices Commission
428 "J" Street, Suite 800
Sacramento, CA 95814

RE: Amend 2 Cal. Code of Regulations Section 18428

Dear Ms. Donovan:

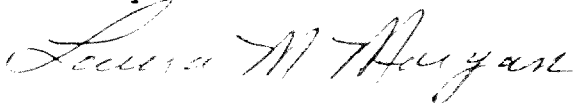
In an attempt to interpret the above referenced amendment dated 6/8/89 for preparation of the Semi-Annual Report, Form 420, for the California Interior Designers PAC, we respectfully request clarification of the following in order to file our report correctly and on time:

1. The California Legislative Conference on Interior Design is a coalition of members of the California chapters of The American Society of Interior Designers, The Institute of Business Designers, The International Furnishings & Design Association, The International Society of Interior Designers and Independent Professional Interior Designers. These members pay annual dues to CLCID to support its activities.
2. During the first six months of 1989, two California chapters of a professional organization made contributions to political candidates and, in turn, CLCID gave the chapters credit for dues assessments. Although CLCID has no authority or control over individual chapters or their treasury, these contributions were made at its suggestion.

Given the above circumstances, the wording of the amendment is not precisely clear as to whether or not the contributions by these two chapters would have to be reported on Form 420 by CIDPAC.

Because of the reporting deadline, we would be most appreciative of an early decision concerning this matter.

Thank you.



Laura M. Morgan, Treasurer
California Interior Designers PAC

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July 10, 1989

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General Counsel
California Fair Political Practices Commission
428 "J" Street, Suite 800
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Laura M. Morgan, Treasurer
California Interior Designers PAC



California Fair Political Practices Commission

July 14, 1989

Laura M. Morgan
California Interior Designers PAC
11140 Fair Oaks Boulevard, Suite 7
Fair Oaks, CA 95628

Re: Letter No. 89-410

Dear Ms. Morgan:

Your letter requesting advice under the Political Reform Act was received on July 11, 1989 by the Fair Political Practices Commission. If you have any questions about your advice request, you may contact me directly at (916) 322-5662.

We try to answer all advice requests promptly. Therefore, unless your request poses particularly complex legal questions, or more information is needed, you should expect a response within 21 working days if your request seeks formal written advice. If more information is needed, the person assigned to prepare a response to your request will contact you shortly to advise you as to the information needed. If your request is for informal assistance, we will answer it as quickly as we can. (See Commission Regulation 18329 (2 Cal. Code of Regs. Sec. 18329).)

You also should be aware that your letter and our response are public records which may be disclosed to the public upon receipt of a proper request for disclosure.

Very truly yours,

Jeanne Pritchard
Jeanne Pritchard
Chief Technical Assistance
and Analysis Division

JP:plh